

STATE OF SOUTH DAKOTA)
)
COUNTY OF _____)

IN CIRCUIT COURT

_____ JUDICIAL CIRCUIT

IN RE ESTATE OF _____)
_____)
_____, Deceased.)

South Dakota Inheritance Tax Report
and
Information for Judicial Determination of Inheritance Tax

1. Decedent's Name: _____ Date of Birth (DOB): _____ Date of Death (DOD): _____
Last Residence: _____ Spouse's name (and DOD, if deceased): _____

2. Estate Representative or Applicant: _____

3. Attorney of Record's Name: _____ Address: _____
City: _____ State: _____ Zip: _____ Phone Number: _____

4. Is this an Amended Report? If yes, insert DOR # from previous Receipt of IT Report: _____ YES NO

5. Does any property pass by Will or Trust? If yes, please attach copy. _____

6. Are any life estates involved? If yes, name and DOB of life tenant(s): _____

7. Is a disclaimer or power of appointment involved? If yes, please attach copy of appropriate document. _____

8. Did South Dakota decedent own any out-of-state property? If yes, please attach schedule with values. _____

9. Did decedent file a United States Gift Tax Return or Returns? If yes and DOD was before July 1, 1989, attach copies of all returns. If yes and DOD was after June 30, 1989, attach returns for the last two years of life. File the copy or copies of the 709 with the Department of Revenue & Regulation only. _____

10. Did decedent's estate file a United States Estate (and Generation Skipping Transfer) Tax Return? _____
If yes, file a copy of the 706 with the Department of Revenue & Regulation only.

(a) Amount of gross estate \$ _____
(b) Amount of state death tax credit allowable \$ _____
(c) Amount of death taxes imposed by other states \$ _____

11. RECAPITULATION

(a) Schedule A \$ _____
(b) Schedule B – ½ of subtotal (1) \$ _____
(c) Schedule B – subtotal (2) \$ _____
(d) Schedule C \$ _____
(e) Schedule C – 1 subtotal (1) \$ _____
(f) Total of items 11(a), 11(b), 11(c), 11(d) and 11(e) \$ _____
(g) Less Schedule D \$ _____
(h) Net value of decedent's taxable estate \$ _____

Under penalty of Perjury, I swear that this Report is, to the best of my knowledge and belief, true, correct and complete.

Name of Preparer: _____

Estate Representative or Applicant: _____
Date: _____

Preparer Signature _____ Date _____

Subscribed and sworn to before me this _____ day of _____,
_____.

For Department of Revenue & Regulation Use

Notary Public Signature and Seal My Commission Expires: _____

SCHEDULE A. Property of decedent that passes by will or succession - All property that passes under the decedent's will or by the laws of intestate succession should be reported on this schedule. Attach additional sheets as necessary. Do not include jointly owned property on this schedule or property passing outside of probate such as property transferred by trust, insurance or annuities to specific beneficiaries.

DESCRIPTION	VALUE

Total of Schedule A shown here and on page 1, line 11(a) \$_____

SCHEDULE B. Jointly owned property - All property held jointly by the decedent and others is to be reported on this schedule. Attach additional sheets as necessary. Be sure to state the name(s) of the surviving joint owner(s). The property is to be reported at its **full value** and not its fractional value, except in the recapitulation. Except for property held with a surviving spouse, and no one else, all property reported on this schedule will be taxed as though it were owned absolutely by the decedent **except** such portion thereof as may be proved belonged originally to the surviving joint owner(s).

DESCRIPTION	SURVIVING JOINT OWNER(S)	VALUE

Subtotal (1) - Joint property with spouse only - shown here and on page 1, line 11 (b) \$_____

Subtotal (2) - All other joint property - shown here and on page 1, line 11(c) \$_____

Total joint property \$_____

SCHEDULE C. Other property transfers - Any transfers in contemplation of death, transfers made by the decedent and recorded after death, transfers by exercise or nonexercise of a power of appointment, Individual Retirement Accounts, retirement plans in which decedent had a right to designate the beneficiary or a right to withdraw the proceeds, payable on death (P.O.D.) accounts, transfer on death (T.O.D.) accounts, inter-vivos transfers in trust where the settlor retained a beneficial interest for life or reserved a life estate or income for life, and transfers made into revocable living trusts must be listed on this schedule.

DESCRIPTION	BENEFICIARY	VALUE

Total of Schedule C shown here and on page 1, line 11(d) \$ _____

SCHEDULE C-1. Life Insurance or Annuity Policies - Any policy of insurance on the decedent's life or annuity policy in which decedent had an interest must be reported on this schedule. This includes any policy payable to the decedent's creditors. Policies payable to the decedent's estate or to the executor for the benefit of the estate are taxable. Life insurance or annuity policies also may be taxable as transfers in contemplation of death and must be listed on this schedule. The date of purchase for an annuity or life insurance policy must be shown below.

DESCRIPTION	DATE OF PURCHASE	BENEFICIARY	VALUE

Subtotal (1) - Taxable life insurance or annuity transfers - shown here and on page 1, line 11 (e) \$_____

Subtotal (2) - Non-taxable life insurance or annuity transfers \$_____

Total life insurance and annuity transfers \$ _____

DESCRIPTION	VALUE
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Total of Schedule D shown here and on page 1, line 11(g) \$ _____

ALLOCATION AND COMPUTATION SCHEDULE FOR THE ESTATE OF _____, DOD _____
(See Instructions on page 8)

Beneficiary's Name & Address (1)	Age (2)	Relationship (3)	Amount Assigned (4)	Tax (5)

12. Total Amount Assigned (add Column 4 of Allocation & Computation Schedule) \$ _____

13. Inheritance Tax Imposed (add Column 5 of Allocation & Computation Schedule) \$ _____

14. South Dakota Estate Tax

(a) Residents	\$ _____
(b) Non-Residents	\$ _____

15. Estimated Tax Due (Line 13, 14(a) or 14(b)), whichever is GREATER \$ _____

16. Interest Payable

(a) Death before July 1, 1991 - $1\frac{1}{2}\%$ /month from one year after DOD \$ _____

(b) Death after July 1, 1991 and before July 1, 1994 – (Category B as established by SDCL 54-3-16 and from one year after DOD) 12% until 7-1-94 \$ _____

(c) Death after July 1, 1994 – (Category B as established by SDCL 54-3-16 from one year after DOD) 10% \$ _____

17. Total of Inheritance Tax or Estate Tax and Interest Due \$ _____

18. Total Amount of Tax Previously Paid or Estimated Payment \$ _____

19. Balance Due \$ _____

20. Refund Amount Claimed \$ _____

SOUTH DAKOTA INHERITANCE/ESTATE TAX GENERAL INSTRUCTIONS

TAX IMPOSED: The inheritance tax is imposed upon any transfer of a decedent's property, real, personal or mixed, or any interest therein or income therefrom, in trust or otherwise to any person, association, or corporation if the decedent was a resident of South Dakota. If the decedent was a non-resident, the tax is imposed on his/her property within the taxing jurisdiction of South Dakota. SDCL 10-40-2.

EXEMPT TRANSFERS: Transfers of intangible personal property made by non-residents are exempt from inheritance tax if the state of residence of the non-resident exempts South Dakota residents from transfer/death taxes or grants reciprocal exemptions. Transfers to organizations qualifying under SDCL 10-40-23 (1) and (2) and transfers between spouses are exempt.

TRANSFERS IN CONTEMPLATION OF DEATH: If death occurred prior to July 1, 1989, SDCL 10-40-1(1) defined contemplation of death as the "expectancy of death which actuates the mind of the person on the execution of his will." See *In re Estate of Pearson*, 419 N.W.2d 704 (S.D. 1988). If death occurred after June 30, 1989, SDCL 10-40-1(1) defines contemplation of death as "any transfer made with a dominant intention of avoiding the passing of the property transferred by testate or intestate laws. Any transfer made within one year of the transferor's death shall be presumed to have been made in contemplation of death, to the extent that the aggregate value of the transfers to any single donee during a calendar year exceed ten thousand dollars, and the burden of proof to show otherwise is upon the person seeking to rebut the presumption. The first ten thousand dollars of transfers to any single donee during a calendar year or transfers made more than one year prior to the transferor's death shall be deemed not to have been made in contemplation of death." ARSD 64:80:06:01 lists 12 factors that may be used to determine the grantor's dominant intention under SDCL 10-40-1(1).

FILING REQUIREMENTS: The estate representative or interested party shall make and return under oath a full and detailed report within nine (9) months after the decedent's date of death. SDCL 10-41-17. If it is impractical to file the report within the nine months, the Circuit Court may, on application, extend the time for filing the report. SDCL 10-41-20. If there is more than one personal representative, all must sign the inheritance report. The Department will not accept the attorney's signature as authority to act on behalf of the representative without prior written consent from the personal representative.

PLACE OF FILING: Reports shall be filed with the Clerk of Courts in the proper county and a copy of the report shall be mailed to the Department of Revenue & Regulation, Inheritance Tax, 445 East Capital Avenue, Pierre, South Dakota 57501.

VALUATION OF PROPERTY TRANSFERRED: All property transferred by a decedent is to be valued at the true and full market value in money on date of death. SDCL 10-40-26 as defined by SDCL 10-40-1(10). The value of a limited or future estate, income, interest, or annuity, including life estates, dependent on any life or lives in being, shall be determined by the use of the annuity table. SDCL 10-40-14. If death occurred prior to July 1, 1991, the 5% table is used and if death occurred after June 30, 1991, the 7.5% table is used. If the report preparer is unable to calculate the value of the limited or future estate, i.e. life estates, please so state on the report, and the Department of Revenue & Regulation will compute the values.

SDCL 10-40-21(6) QUALIFYING FARM OR BUSINESS PROPERTY ENTITLED TO A REDUCED RATE: For deaths occurring after June 30, 1991, every transferee, except a lineal issue or lineal ancestor, who receives qualifying property as defined by SDCL 10-40-21(6), is entitled to use the Table 6 rates on the value of that qualifying property. In computing the tax, "on a qualifying transferee who is also receiving non-farm or non-business property, the inheritance tax rates and increased rates shall be applied in a consecutive manner. The tax shall first be imposed on the value of the non-farm or non-business property received by the qualifying transferee. Then the tax shall be imposed on the value of the farm or business property starting in the same rate or increased rate category where the value of the non-farm or non-business property ends."

AMENDED REPORTS AND REFUNDS: An Amended or Supplemental Report must be filed to show adjustments in valuations or deductions, or newly discovered property. ARSD 64:80:02:01. The application for a refund must be "made within three years from the payment thereof or in cases arising under SDCL 10-40-16, within one year after happening of the contingency whereby a refund becomes due." SDCL 10-41-84.

TAX LIEN WAIVER AND CONSENT TO TRANSFER PROPERTY: After checking against the inheritance tax report for accuracy, the Department of Revenue & Regulation will sign an Inheritance Tax Lien Waiver and Consent to Transfer Property submitted after the tax, if any, has been paid or if the court having jurisdiction over the proceedings authorizes the waiver of such lien. SDCL 10-41-68.

SOUTH DAKOTA ESTATE TAX (SDCL Chapter 10-40A): For resident decedents, the South Dakota estate tax is in the amount that, together with any other state death taxes imposed by this state, equals the amount of the state death tax credit allowable under the federal estate tax. The South Dakota estate tax shall be reduced by state death taxes other than "pick-up" taxes imposed by any other state in respect to any property included in a decedent's gross estate.

For non-residents, the South Dakota estate tax is equal to a portion of the death tax credit, computed by applying to the allowable credit the same ratio as exists between the portion of the decedent's gross estate located in this state and the decedent's entire gross estate less any other death taxes paid to this state.

INSTRUCTIONS FOR ALLOCATION AND COMPUTATION SCHEDULE

- (A) List each beneficiary by name and address, age, relationship and the amount assigned in Column (1), (2), (3) and (4).
- (B) Select the tax table, which has the exemption built into it, according to transferee's relationship to the decedent.
 Tables 1- 1G: Lineal issue: son, daughter, grandson, granddaughter, adopted child, mutually acknowledged child or stepchild (where decedent died after July 1, 1994).
 Table 2: Lineal ancestor: father, mother, grandfather, grandmother.
 Table 3: Brother, sister, nephew, niece, and their issue, son-in-law, daughter-in-law.
 Table 4: Uncle, aunt, first cousins and their issue.
 Table 5: Stranger in blood, a body politic or corporate.
 Table 6: Transferee with qualifying property under SDCL 10-40-21(6).
- (C) Compute the inheritance tax imposed on each beneficiary using the Tax Table and insert in Column (5).

(Instructions continued on next page)

Table 1: SDCL 10-40-21(1)

(For persons dying on or before June 30, 2000)

If the amount assigned is:

<i>over</i>	<i>but not over</i>	<i>the tax due is</i>	<i>of the amount over</i>
30,000	50,000	3 3/4%	30,000
50,000	100,000	\$750+6%	50,000
100,000	-----	\$3750+7 1/2%	100,000

Table 1D: SDCL 10-40-21(1D)

(For persons dying July 1, 2003 to June 30, 2004, inclusive)

If the amount assigned is:

<i>over</i>	<i>but not over</i>	<i>the tax due is</i>	<i>of the amount over</i>
70,000	100,000	6%	70,000
100,000	-----	\$1800+7 1/2%	100,000

Table 1A: SDCL 10-40-21(1)

(For persons dying July 1, 2000 to June 30, 2001, inclusive)

If the amount assigned is:

<i>over</i>	<i>but not over</i>	<i>the tax due is</i>	<i>of the amount over</i>
40,000	50,000	3 3/4%	40,000
50,000	100,000	\$375+6%	50,000
100,000	-----	\$3375+7 1/2%	100,000

Table 1E: SDCL 10-40-21(1)

(For persons dying July 1, 2004 to June 30, 2005, inclusive)

If the amount assigned is:

<i>over</i>	<i>but not over</i>	<i>the tax due is</i>	<i>of the amount over</i>
80,000	100,000	6%	80,000
100,000	-----	\$1200+7 1/2%	100,000

Table 1B: SDCL 10-40-21(1)

(For persons dying July 1, 2001 to June 30, 2002, inclusive)

If the amount assigned is:

<i>over</i>	<i>but not over</i>	<i>the tax due is</i>	<i>of the amount over</i>
50,000	100,000	6%	50,000
100,000	-----	\$3,000+7 1/2%	100,000

Table 1F: SDCL 10-40-21(1)

(For persons dying July 1, 2005 to June 30, 2006, inclusive)

If the amount assigned is:

<i>over</i>	<i>but not over</i>	<i>the tax due is</i>	<i>of the amount over</i>
90,000	100,000	6%	90,000
100,000	-----	\$600+7 1/2%	100,000

Table 1C: SDCL 10-40-21(1)

(For persons dying July 1, 2002 to June 30, 2003, inclusive)

If the amount assigned is:

<i>over</i>	<i>but not over</i>	<i>the tax due is</i>	<i>of the amount over</i>
60,000	100,000	6%	60,000
100,000	-----	\$2400+7 1/2%	100,000

Table 1G: SDCL 10-40-21(1)

(For persons dying on or after July 1, 2006)

If the amount assigned is:

<i>over</i>	<i>the tax due is</i>	<i>of the amount over</i>
100,000	7 1/2%	100,000

(Tax tables continued on next page)

Table 2: SDCL 10-40-21 (2)

If the amount assigned is:

<i>over</i>	<i>but not over</i>	<i>the tax due is</i>	<i>of the amount over</i>
3,000	15,000	3%	3,000
15,000	50,000	\$360+7 1/2%	15,000
50,000	100,000	\$2985+12%	50,000
100,000	-----	\$8985+15%	100,000

Table 5: SDCL 10-40-21 (5)

If the amount assigned is:

<i>over</i>	<i>but not over</i>	<i>the tax due is</i>	<i>of the amount over</i>
100	15,000	6%	100
15,000	50,000	\$894+15%	15,000
50,000	100,000	\$6144+24%	50,000
100,000	-----	\$18,144+30%	100,000

Table 3: SDCL 10-40-21(3)

If the amount assigned is:

<i>over</i>	<i>but not over</i>	<i>the tax due is</i>	<i>of the amount over</i>
500	15,000	4%	500
15,000	50,000	\$580+10%	15,000
50,000	100,000	\$4080+16%	50,000
100,000	-----	\$12,080+20%	100,000

Table 6: SDCL 10-40-21(6)

If the amount assigned is:

<i>over</i>	<i>but not over</i>	<i>the tax due is</i>	<i>of the amount over</i>
0	15,000	3%	0
15,000	50,000	\$450+7 1/2%	15,000
50,000	100,000	\$3075+12%	50,000
100,000	-----	\$9075+15%	100,000

Table 4: SDCL 10-40-21(4)

If the amount assigned is:

<i>over</i>	<i>but not over</i>	<i>the tax due is</i>	<i>of the amount over</i>
200	15,000	5%	200
15,000	50,000	\$740+12 1/2%	15,000
50,000	100,000	\$5115+20%	50,000
100,000	-----	\$15,115+25%	100,000

(Instructions for allocation and computation schedule continued from page 8)

- (D) List the total amount assigned on Line 12 of the Allocation and Computation Schedule. (This should equal line 11(h) on page 1.)
- (E) Of the assets listed on schedules A through C-1, and taking into account farm and business debts listed on schedule D, please list the net value of assets of continuing farms and businesses described on line 12a.
If a business has to be liquidated to pay death taxes, line 12b is an opportunity to explain to state government the impact of such taxes.
- (F) List the total inheritance tax imposed on Line 13.
- (G) Determine the amount of federal credit for state death taxes and compute the South Dakota estate tax on Line 14.
- (H) Enter total estimated tax due on Line 15.
- (I) Compute the interest due if the tax was not paid within the first year after death and insert on Line 16 (a), (b) or (c) . If decedent died before July 1, 1991, interest is computed at the rate of 1 1/2% per month or fraction thereof from one year after the date of death. If decedent died on or after July 1, 1991, the interest is computed at the Category B rate established by SDCL 54-3-16 from one year after date of death. The interest that is chargeable for deaths occurring after July 1, 1994, is 10% pursuant to SDCL 54-3-16. If there is no interest due, leave Lines 16 (a), (b) and (c) blank.
- (J) Add total inheritance tax, estate tax and interest due and insert on Line 17.
- (K) Enter the amount of inheritance or estate tax previously paid or any estimated payment made on Line 18.
- (L) The balance due figure is shown on Line 19 and the refund amount claimed figure is shown on Line 20.

**PAYMENTS SHOULD BE MADE PAYABLE TO: South Dakota State Treasurer and sent to the Remittance Processing Center,
P. O. Box 5055, Sioux Falls, South Dakota 57117-5055.**